



OFFICE OF
INSURANCE COMMISSIONER

7283 12/14/05 \$18,400.00 ✓

Stonebridge 12,210.00
Monumental 6,210.00

In the matter of:

STONEBRIDGE CASUALTY
INSURANCE COMPANY

an Authorized Insurer

No. D05 -365

CONSENT ORDER
ASSESSING A FINE

FINDINGS OF FACT:

1. Stonebridge Casualty Insurance Company ("Stonebridge") is authorized to transact property and casualty insurance in the State of Washington.
2. On June 15, 2004, Stonebridge submitted to the Office of Insurance Commissioner ("OIC") a rate/rule filing proposing a range of rates for a Guaranteed Automobile Protection ("GAP") policy approved by the OIC effective as of that same date.
3. Stonebridge's June 15, 2004, rate and rule plan filing was disapproved by the OIC effective as of August 30, 2004. The rate and rule plan legally could have been used until the effective disapproval date. Stonebridge submitted a revised GAP rate and rule plan filing dated October 5, 2004. The OIC disapproved this rate and rule plan effective as of December 21, 2004. The rate and rule plan legally could have been used until the effective disapproval date. In March 2005, Stonebridge filed a revised rate and rule plan along with adequate supporting information which plan was approved by the OIC effective March 15, 2005.
4. Stonebridge provided information requested by the OIC which indicated that between October 1, 2004, and March 14, 2005, Stonebridge issued 122 GAP policies in Washington for which it did not charge the rates that had been filed with the OIC, but rather charged a rate that was lower than those rates which were ultimately approved by the OIC.

CONCLUSION OF LAW:

1. Stonebridge's issuance of policies using rates not in accordance with its filing then effect is a violation of RCW 48.19.040(6).

CONSENT TO ORDER:

NOW, THEREFORE, Stonebridge consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings, and the Insurance Commissioner consents to settle the matter in consideration of Stonebridge's payment of a fine and such other terms and conditions as are set forth below:

Mailing Address: P.O. Box 40255 • Olympia, WA 98504-0255
Street Address: 5000 Capitol Blvd. • Tumwater, WA 98501



1. Stonebridge consents to entry of the foregoing Findings and Conclusion as they pertain to these facts, consents to the entry of this Order, acknowledges its duty to comply fully with the applicable laws of the State of Washington, and waives further administrative or judicial challenge to the OIC's actions related to the subject matter of this Order.
2. Stonebridge acknowledges that the OIC has authority to take this enforcement action, and upon mutual agreement of Stonebridge and the OIC, the OIC will impose a fine of \$12,200 against Stonebridge. Pursuant to RCW 48.05.185, failure to pay this monetary fine timely constitutes grounds for the OIC to seek revocation of the insurer's certificate of authority and for the recovery of the full fine in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

EXECUTED AND AGREED, this 1st day of December, 2005.

STONEBRIDGE CASUALTY INSURANCE COMPANY

Signed Name: Emarie S. Payne

Printed Name: Emarie S. Payne

Printed Title: Vice President

ORDER:

Pursuant to RCW 48.05.185, the Insurance Commissioner hereby imposes a fine of Twelve Thousand Two Hundred Dollars (\$12,200) against Stonebridge Casualty Insurance Company. The fine must be paid in full within thirty days of the entry of this order in Tumwater, Washington. Failure to pay the fine timely shall constitute grounds for the revocation of the company's certificate of authority and for the recovery of the full fine in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

ENTERED AT TUMWATER, WASHINGTON, this 5th day of December, 2005.

MIKE KREIDLER
Insurance Commissioner

By: Charles D. Brown

CHARLES D. BROWN
Staff Attorney, Legal Affairs